



DEPARTMENT OF THE AIR FORCE  
WASHINGTON DC 20330-1080

OFFICE OF THE UNDER SECRETARY

14 March 2002

MEMORANDUM FOR SEE DISTRIBUTION

FROM: SAF/IAPX  
1080 Air Force Pentagon  
Washington, DC 20330-1080

SUBJECT: DSCA Coordination Requirements on Letter of Offer and Acceptance (LOA)  
Documents Financed with Foreign Military Financing (FMF) Funds (SAF/IAPX  
02-009) (DSCA Memo, 28 Feb 02 (DSCA 02-09), same subject)

In accordance with referenced DSCA memo, 28 Feb 02 (see attached), DSCA coordination is required for all LOA documents containing the following Terms of Sale and/or categories of funding prior to submission for DSCA counter-signature:

- FMS Credit
- FMS Credit (non-repayable)
- MAP Merger
- NADR (Non-proliferation, Anti-terrorism, Demining, and Related programs)
- EIPC (Enhanced International Peacekeeping)
- And any other funding authorized under Section, Arms Export Control Act

Coordination is required regardless of whether the applicable Terms of Sale finances the LOA in whole or in part and ensures that FMF-related funds are reserved by DSCA prior to the LOA or Amendments being offered or the Modifications being implemented.

This requirement will be incorporated in the Security Assistance Management Manual (SAMM, DoD 5105.38M), AFMAN 16-101, FMS Financial Management Handbook, and the FMS Pricing Guide accordingly.

SAF/IAPX POC for this matter is Ms. Sandy Harding, (703) 588-8974, email: [sandy.harding@pentagon.af.mil](mailto:sandy.harding@pentagon.af.mil).

//signed// 14 March 2002  
TERRY L. BATES  
Chief, Security Assistance Policy Division  
Deputy Under Sec, Int'l Affairs

Attachment:  
a/s

**28 FEB 2002**

In reply refer to:  
I-02/002853-FM

MEMORANDUM FOR

DEPUTY UNDER SECRETARY OF THE ARMY  
(DEFENSE EXPORTS AND COOPERATION)  
(DASA(DE&C)/SAAL-ZN)  
DEPARTMENT OF THE ARMY

DIRECTOR, NAVY INTERNATIONAL PROGRAMS OFFICE  
DEPARTMENT OF THE NAVY

DEPUTY UNDER SECRETARY OF THE AIR FORCE  
(INTERNATIONAL AFFAIRS)  
DEPARTMENT OF THE AIR FORCE

DIRECTOR, DEFENSE LOGISTICS AGENCY

DIRECTOR, NATIONAL IMAGERY AND MAPPING  
AGENCY

DIRECTOR, NATIONAL SECURITY AGENCY

DIRECTOR, DEFENSE CONTRACT MANAGEMENT  
AGENCY

DIRECTOR, DEFENSE INFORMATION SYSTEMS AGENCY

SUBJECT: DSCA Coordination Requirements on Letter of Offer and Acceptance (LOA)  
Documents Financed with Foreign Military Financing (FMF) Funds  
(DSCA 02-09)

This memorandum clarifies policy as regards the DSCA coordination requirements for LOAs funded with FMF. In this context, "FMF" includes the following Terms of Sale and/or categories of funding:

FMS Credit

FMS Credit (non-repayable)

MAP Merger

NADR \*\*\*

EIPC

And any other funding authorized under Section 23, Arms Export Control Act

*\*\*\* Note: Although not all NADR funds cycle through the FMF account, this simplifies the policy described herein.*

For any LOA document containing at least one of the aforementioned Terms of Sale, DSCA must coordinate on that document. Official coordination is commensurate with DSCA's approval of the LOA document. This applies regardless of whether the applicable Terms of Sale finances the LOA in whole or in part. This measure is taken to ensure that the FMF-related funds are reserved by DSCA prior to the LOA being offered (for Basics and Amendments) or implemented (for Modifications). Thus, we avoid the undesirable scenario of determining after the fact that available FMF funds are insufficient to finance the LOA document. DSAMS will employ validations that preclude progressing an LOA document to "Offered" status (or, for Modifications, "Implemented" status) without prior DSCA approval. DSCA will also clarify this requirement in the upcoming Security Assistance Management Manual (SAMM, DoD 5105.38-M) rewrite.

We appreciate your attention to this matter. Should you have any questions, the DSCA point of contact is Mr. David Rude, Financial Policy team chief, DSN 664-6569, e-mail (unclas): [David.rude@osd.pentagon.mil](mailto:David.rude@osd.pentagon.mil).

/SIGNED/

James A. McQuality  
Comptroller

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